MONTANA Economy at a Glance

JANUARY 2008

EMPLOYMENT BY INDUSTRY

(Does not include self-employed or agricultural employment)

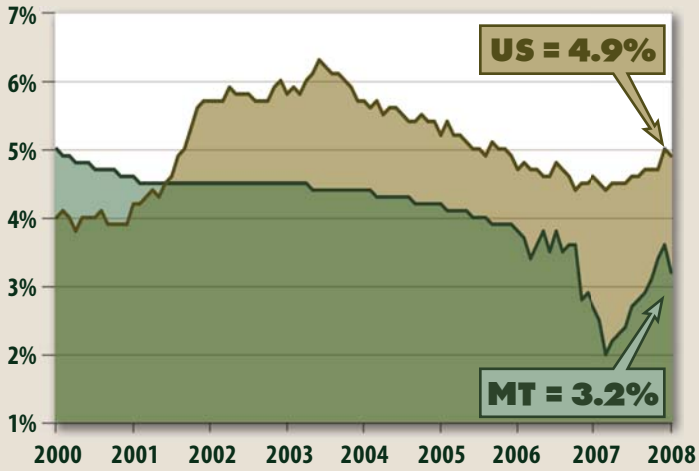
Industry Employment (in thousands)	Jan.(P) 2008	Dec. 2007	Net Change	Percent Change
Total Non-Agricultural	448.3	449.3	-1.0	-0.2%
Natural Resources & Mining	8.5	8.5	0.0	0.0%
Construction	32.6	33.2	-0.6	-1.8%
Manufacturing	20.4	20.9	-0.5	-2.4%
Trade, Transportation, & Utilities	93.6	92.0	1.6	1.7%
Information	7.7	7.7	0.0	0.0%
Financial Activities	21.7	23.2	-1.5	-6.5%
Professional & Business Services	41.8	42.5	-0.7	-1.6%
Education & Health Services	59.8	59.6	0.2	0.3%
Leisure & Hospitality	59.0	57.7	1.3	2.3%
Other Services	17.1	17.2	-0.1	-0.6%
Total Government	86.1	86.8	-0.7	-0.8%

(P) denotes preliminary figures

Montana's seasonally-adjusted non-agricultural payroll employment decreased by 1,000 jobs (-0.2%) from December 2007 to January 2008. Trade, Transportation, & Utilities showed the largest gain with 1,600 (+1.7%) added jobs. The biggest decrease was seen in Financial Activities with a loss of 1,500 (-6.5%) jobs.

UNEMPLOYMENT RATE

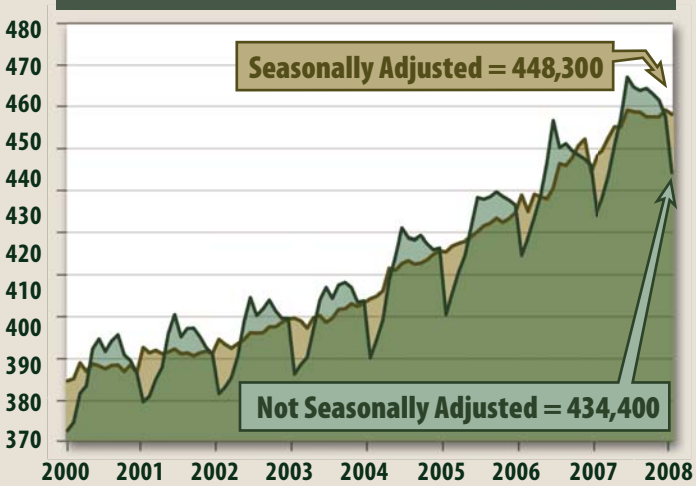
Seasonally Adjusted



Montana's seasonally-adjusted unemployment rate dropped to 3.2% in January 2008 from 3.6% in December. The U.S. rate also fell slightly from 5.0% to 4.9% over the month.

NON-FARM EMPLOYMENT

In Thousands



The Research and Analysis Bureau *of the Montana Department of Labor and Industry*

"Montana's Workforce Information Center"

Phone: (406) 444-2430 or (800) 541-3904 - Fax: (406) 444-2638 - Website: www.ourfactsyourfuture.org

Do You Know Your Worth?

by Jessie Counts & Julie O'Connor

How much is a secretary, a mechanic, or a driver worth? Surprisingly, it depends on the industry in which the individual works. While the skills needed by any of these occupations are basically the same across industries, how much these skills are worth (in terms of wages) is not.

Methods

An exploration of the differences in wages for similar skills between industries focuses on two key elements. First, businesses hire employees based on the ability of an individual to fulfill the needs of the business. The classification of an occupation is derived from the skills the employee has and the tasks the employee is assigned within the business. Occupations are employee specific and are relatively comparable between businesses. On the other hand, an industry is specific to the business. Each business falls into an industry based on the goods produced or services provided. For this analysis, we looked at approximately 400 occupations and 200 industries.

Occupations with a Variety of Industry Options

Businesses in certain industries invariably have employees of certain occupations, for instance businesses in health care industries employ pharmacists. However, often less obvious industries have these same occupations, for instance businesses in retail industries also employ pharmacists.

Table One shows the occupations in Montana which have employees working for businesses with the widest variety of industries. Some of the industries represented here are very similar, but some occupations turn up in seemingly unrelated industries. For example, retail salespersons show up in fifty-two industries that range from department stores to traveler accommodations. While the specific knowledge the employees have may differ, the essential functions and job responsibilities of the occupation remain the same.

In Montana in 2006, Management of Companies and Enterprises, Administrative and Waste Services, Construction, and Mining industries had the biggest employment gain. The lowest employment gains were in Wholesale Trade; Retail Trade; Other Services; Agriculture, Forestry, Fishing & Hunting;

Table 1: Occupations with Workers in the Widest Variety of Industries

Occupation	# of Industries
General and Operations Managers	146
Bookkeeping, Accounting, and Auditing Clerks	127
Office Clerks, General	92
Secretaries, Except Legal, Medical, and Executive	89
Executive Secretaries and Administrative Assistants	88
First-Line Supervisors/Managers of Office and Administrative Support Workers	56
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	52
Retail Salespersons	52
Receptionists and Information Clerks	49
Customer Service Representatives	35
Truck Drivers, Heavy and Tractor-Trailer	35

Source: Research & Analysis Bureau, OES program

and Information. Employees in industries with slower growth may find opportunities in industries with more growth and gain a wage advantage as well. As Montana's economy grows and changes, workers who realize that their skills are valuable can be less fearful of cuts in their hours or layoffs.

Occupations with High Wage Differences by Industry

Not only do occupations often show up in many industries, the pay with which these occupations are associated can be considerably different as well. Consider Tables Two and Three. These tables represent occupations with significant differences in pay between industries. The differences are between the industry with the highest average pay for that occupation and the industry with the lowest average pay. This comparison helps to illustrate how important it is to market skills in more than one industry. For example, by considering new industries in which to market his or her skills, an operations manager could make a 406% difference in their pay.

There are many reasons for changing a job. Often a worker will change employers for better pay, whether the increase is $2.00 per hour or $10.00 per hour. Looking at the top ten occupations, pay differences range from $24.23 per hour to $50.66 per hour. This would potentially be an exceptional reason to change employers and keep the same occupational skill set that you currently have mastered.

Case Study of One Career Path

The difference in wages between industries does not pertain to only entry level or higher level jobs. An analysis of a theoretical job progression from receptionist to a supervisor shows the consistency of wage differences.

Table 2: Occupations with the largest pay difference among industries (in dollars)

Most Pay Difference $	# of Industries	Difference
General and Operations Managers	146	$50.66
Chief Executives	5	$47.75
First-Line Supervisors/Managers of Office and Administrative Support Workers	56	$34.33
Mental Health Counselors	3	$33.94
Computer Systems Analysts	8	$32.70
Physicians and Surgeons, All Other	2	$30.85
Family and General Practitioners	3	$30.06
Network and Computer Systems Administrators	12	$26.76
Lawyers	3	$25.38
Transportation, Storage, and Distribution Managers	5	$24.23

Source: Research & Analysis Bureau, OES program

Table 3: Occupations with the largest pay difference among industries (percent difference)

Most Pay Difference %	# of Industries	% Difference
General and Operations Managers	146	406%
First-Line Supervisors/Managers of Office and Administrative Support Workers	56	308%
Retail Salespersons	52	295%
Bookkeeping, Accounting, and Auditing Clerks	127	272%
Chief Executives	5	255%
Office Clerks, General	92	220%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	52	220%
Mental Health Counselors	3	196%
First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle	10	193%
Secretaries, Except Legal, Medical, and Executive	89	188%

Source: Research & Analysis Bureau, OES program

Table 4: Wage differences among occupations in one possible career ladder

Career Ladder	# Industries	Difference
Receptionist and Information Clerks	49	$5.31
Office Clerks, General	92	$15.10
Secretaries, Except Legal, Medical, and Executive	89	$11.74
Executive Secretaries and Administrative Assistants	88	$12.71
First-Line Supervisors/Managers of Office and Administrative Support Workers	56	$34.33

Source: Research & Analysis Bureau, OES program

Table Four shows a possible career ladder from a receptionist to a supervisor and the difference in wages between industries at each level. In this example, the difference in wages actually increases as you move up the career ladder. However, as you move up the career ladder, employers may require higher skill levels, higher responsibility levels and a higher level of industry and specific business knowledge. Thus, it may be easier to make an industry change at a lower level of the career ladder.

The decision to look for employment or hire an employee in a new industry requires more consideration than just the average wage offered by those industries. Obviously, an employment move from one industry to another is dependent on the needs of the businesses in the new industries. Furthermore, an employee who would be best positioned to take advantage of the potential wage increases by switching industries would have more to offer than just experience with related skills and tasks. A successful industry change may require additional technical training and specific industry knowledge development. Job seekers looking at an industry switch would be well advised to develop these assets prior to attempting a move. While there is potential to gain wages, you may be giving up seniority within your current organization and the advantage of experience with specific business or industry knowledge.

Conclusions

Looking at the disparity in wages for the same occupation across industries can be helpful to both employers and job seekers. Awareness of these differences can help employers recruit capable workers from lower paying industries. Furthermore, because the basic skills needed for an occupation are the same across industries, it broadens the base of potential workers. With the willingness to train on industry specific technical issues, an employer can look to fill vacancies from a much wider pool of applicants. Additionally, job seekers have a much larger base of potential jobs. Understanding that the skills that qualify an individual for an occupation in one industry are transferable to other industries allows jobseekers to effectively market themselves to a variety of employers. Successful employees in one industry may be able to transfer skills to industries with higher wages. In a tight labor market, looking beyond industry to occupations can aid in both the search for employees and employment.

To find the average salary for your occupation, visit our website: www.ourfactsyourfuture.org, click the "Publications" button, then click "OES Wage Publications." To find differences in occupational wages across industries, you can access a partial table of the wage data examined in this article at www.ourfactsyourfuture.org/cgi/dataanalysis/?PAGEID=94&SUBID=262 (*Some occupations are not included in the table due to confidentiality issues).*

Meet Our New Economist

Montana's Research and Analysis Bureau is pleased to welcome our new economist, Aaron McNay. The position marks something of a homecoming for Aaron, who was born in Helena, but relocated shortly after, when his father joined the military. Aaron has lived in a variety of locations ranging from a small town in England to the capital of California. He graduated from a Department of Defense high school in High Wycombe, England. After High School, Aaron attended Montana State University in Bozeman, earning a Bachelors degree in Economics. He is currently completing the thesis requirement for a Master's degree in Applied Economics, also from MSU. Aaron's thesis attempts to estimate the demand for gasoline in Montana, and to project future gasoline consumption in the state.

New Tool Helps Balance Job Skills Supply/Demand

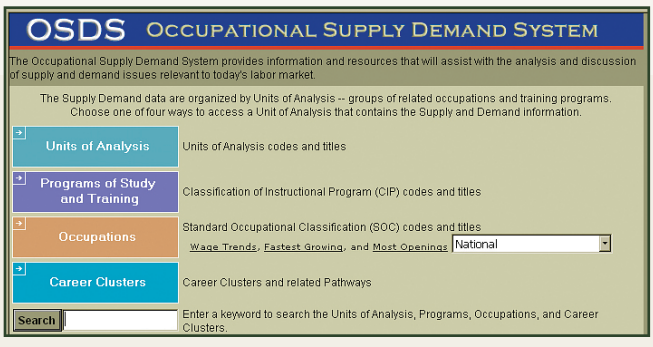
Sometimes unemployment is simply a problem of not having enough jobs, but often it is a problem of balance. "Structural Unemployment" is a term used to identify the mismatch between the skills that job seekers bring to the labor market versus the skill that employers demand. Skill imbalances (shortages or surpluses of certain skills in the labor force) cause headaches for employers and job seekers alike, leaving many positions unfilled not because the available labor pool is unskilled, but because their skills do not match the job requirements.

The Research & Analysis Bureau's career division, Montana Career Resource Network (MCRN), has just released a planning tool to address this problem: the Montana Occupational Supply Demand System. The system is geared to help a wide variety of users from job seekers to career counselors to human resources managers. On the supply side, it allows career counselors and One-Stop staff to access a list of high-wage, high-demand, high-skill occupations with one click. This will help them steer individuals toward training programs that will teach them the skills employers need.

On the demand side, employers and human resource managers can look at the education levels of their potential applicant pools. It can show program planners where the need for trained workers lies. The system can help integrate workforce development and economic development by identifying the types of training individuals are gaining and the current and future economic development planned.

The system organizes its data by units of analysis, groups of related occupations, and related training programs. This tool will be especially helpful to schools (including postsecondary) that receive Carl Perkins IV funding. Carl Perkins IV funding to schools requires targeting programs that address high-skill, high-wage, or high-demand occupations.

To access the Montana Occupational Supply Demand System, go to our website at **www.ourfactsyourfuture.org**, click the "Career Resources" button, then click the "OSDS" button.



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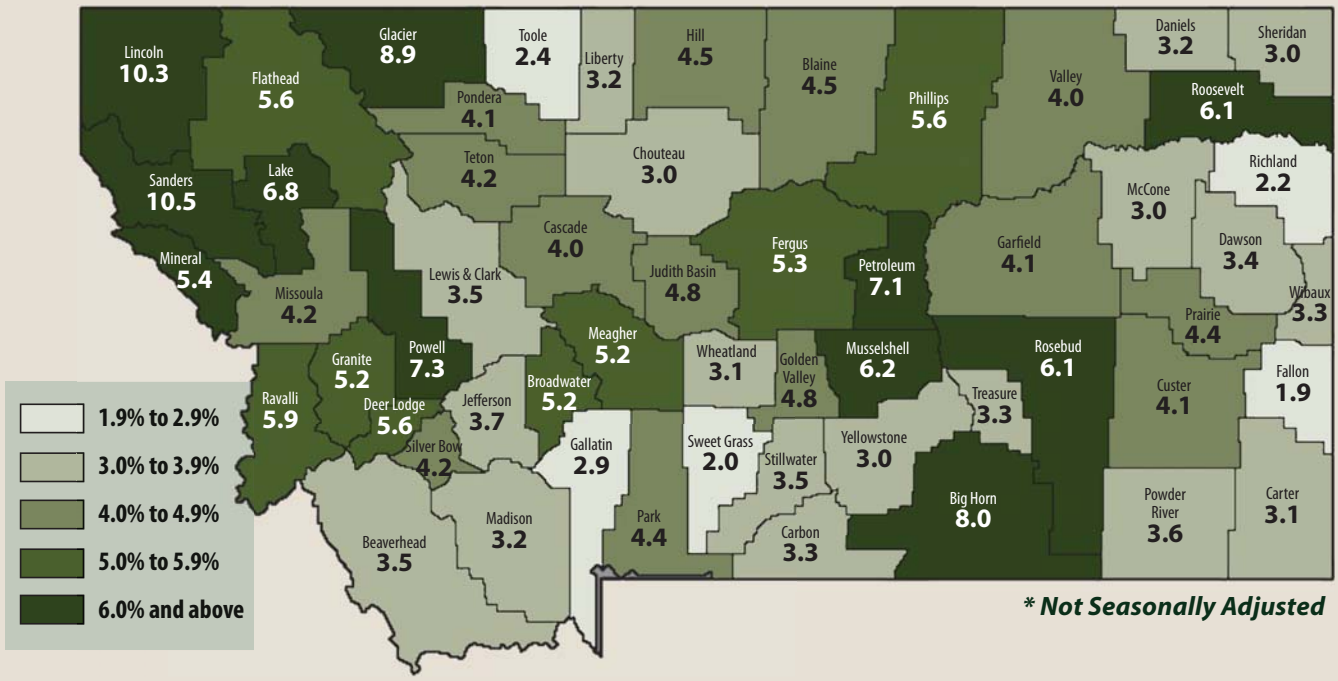
County Unemployment Rates* - January 2008

Montana Average Rate: 4.3%



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2,300 copies of this public document were published at an estimated cost of $0.64 cents per copy, for a total cost of $1,477.92, which includes $1,014.92 for printing and $463 for distribution.

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